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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

February 12, 1997

Hon. Margaret P. Crenshaw, Secretary  
Postal Rate Commission  
1333 H Street, NW, Suite 300  
Washington, D.C. 20268-0001

Dear Ms. Crenshaw:

In connection with the Commission's rules pertaining to periodic reports, 39 C.F.R. § 3001.102 (1995), I have enclosed copies of the following:

Investment Income Statement, Fourth Quarter, GFY 1996.

Sincerely,

*Daniel J. Foucheaux, Jr.*

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

Enclosures

cc: Ms. Brown



	INVESTMENT INCOME FOURTH QUARTER, GFY 1996	
PRC 103	FOURTH QUARTER (5/24/96-9/30/96)	YTD GFY 1996 (10/1/95-9/30/96)
BEGINNING BALANCE (Book Value)	\$2,363,600,338.30	\$1,249,100,355.22
ADD		
PURCHASES AT COST	223,735,400,000.00	530,126,352,444.44
ACCRUAL OF DISCOUNT	46,566,185.93	113,752,717.01
GAIN (LOSS) NET	0.00	0.00
SUBTOTAL	223,781,966,185.93	530,240,105,161.45
DEDUCT		
AMORTIZATION OF PREMIUM	9.21	26.13
PROCEEDS FROM SALES	225,285,766,185.93	530,629,405,161.45
SUBTOTAL	225,285,766,195.14	530,629,405,187.58
ENDING BALANCE _1/ (Book Value)	\$859,800,329.09	\$859,800,329.09
AVERAGE INVESTMENT BALANCE	\$2,519,559,878.51	\$2,101,105,827.96
INVESTMENT INCOME	\$46,569,375.43	\$113,544,094.02
AVERAGE YIELD = _2/	5.23%	5.40%

\_1/ DOES NOT INCLUDE CERTIFICATE OF DEPOSIT \$8,586,000.00

\_2/ AVERAGE YIELD  $\frac{\text{INVESTMENT INCOME/\# OF DAYS IN QTR} \times 366}{\text{AVERAGE INVESTMENT BALANCE}}$

